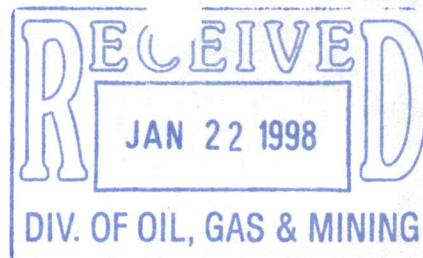


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SHAFT & AMENDMENT

January 21,, 1998

Stan Perkes  
Bureau of Land Management  
P O Box 45155  
Salt Lake City UT 84155-0155

Re: Mine Plan  
Gilsonite Lse. **UTU 76312**  
Sec.15, T9S-R24E  
Uintah Co., Utah

Dear Stan:

Enclosed is a corrected page for Page 4 of the Mine Plan. The old, uncorrected sheet was inadvertently assembled and bound with the report. Sorry for any inconvenience this may have caused you.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Robert E. Covington", written over a horizontal line.

Robert E. Covington

cc: Utah Division Oil.Gas & Mining  
Vernal District Office BLM

PROPOSED MINING PLAN

Operator intends to retimber Shaft No.8 which is located on Ziegler's patented lands in the southeast quarter of Section 16, T9S-R24E on the Little Bonanza vein. Present depth of the shaft is 834 feet. The horizontal distance in a southeast direction to the section line which separates Section 16 (patented) from Section 15 (Lease UTU 76312) is 235'. The vein has a strike of N66°W. The vein has a dip of approximately 2° to the southwest and is 22" in width at the surface. Operator intends to begin the mining in a southeasterly direction from this shaft at a depth of 755 feet. The block of ore from the 755 foot level to 834 feet will be the first mined. A 10 foot horizontal pillar will be left from 834 to 844 feet.

The ore which is being mined will be from a depth of 844 to 894 feet. Mining operations call for cutting a 32° slope angle on the face of the ore with chipping hammers with moil bits. Vertical distances of the working "blocks" will be 100 feet. A 10' pillar will be left between blocks for safety purposes. Gilsonite which is chipped from the slope face will be air lifted to the surface. The system for air lifting the chipped gilsonite will be powered by a 150 HP compressor. Air is to be delivered to the underground workings by 2" pipe. Two 100 HP fan units will supply the vacuum required for the airlift operation. This unit will be capable of producing a water gauge of 72".

In regard to the actual mining operation, wooden stulls will be used for support. While working the 100' blocks of ore, chain link fencing will be used on floor for access to the working face, with planking for walkways. This fencing is held in place by means of wooden stulls which are chipped into the wall rock. The walkways will be spaced 30 feet apart in a vertical direction.